



MEMORANDUM

TO: Health Care Commission
Duane Goossen, Chair
Connie Hafenstine
Sandy Praeger
Nancy Ruoff
John Staton

FROM: Doug Farmer

DATE: March 4, 2009

SUBJECT: **Fraud Policy**

At the last Health Care Commission (HCC) meeting, we briefly discussed the HCC adopting a comprehensive fraud policy for the State Employee Health Plan. Currently, the health plans have limited language regarding fraud. Attached are copies of the fraud provisions from the drug, dental, and health plans. A uniform policy on fraud does not exist at this time, nor is there a uniform policy on the penalty that will be applied for those found to be in violation of the stated policies.

In the last year, we have had a few cases of potential fraud identified by either the plan member or the health plan which have brought this situation to the foreground. We are developing a comprehensive policy to present to the HCC for consideration at a future meeting.